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"To establish a *prima facie* case of obviousness, three basic
criteria must be met. First, there must be some suggestion or motivation,
either in the references themselves or in the knowledge generally available
to one of ordinary skill in the art, to modify the reference or to combine
reference teachings. Second, there must be a reasonable expectation of
success. Finally, the prior art reference (or references when combined)
must teach or suggest all the claim limitations." See <u>MPEP</u>, Original
Eighth Edition, August, 2001, §2143.

Applicants believe the rejection has flaws with all three prongs of the above test for
establishing a *prima facie* case of obviousness.

### *Teachings Missing from Cited References*

With regard to the third prong of the test, Applicants believe the cited
sections of Kolling et al. ("Kolling") and the cited sections of Rowney et al. ("Rowney")
do not, either alone or in combination, teach or suggest the invention in the claims. More
specifically, neither Kolling nor Rowney teaches or suggests: (1) that the "digital IOU is
comprised of the purchase price" as required by amended claim 14; (2) "validating the
payment information at the funds transfer system" as generally required by claims 24, 29
and 35; (3) transferring funds from a payor account to the funds transfer system to a
payee account as generally required by claims 24, 29 and 35; and (4) "means for
comparing the payment information and the purchase information against the database"
as required by claim 39. For at least these reasons, Applicants respectfully reiterate their
request for reconsideration of the rejection to the claims.

Kolling generally relates to an automated bill payment system where
specified communication occurs between a biller 14, a consumer 12, various banks 16,
128, 18, and a payment network 102. According to the Office Action, this reference fails
to teach a digital IOU, a digital IOU comprising the purchase price, confirming the digital
IOU by comparing a digital signature, or operating in a checkout process with a vendor
system. Rowney generally relates to credit transactions on the Internet between a

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customer 120, a merchant 130 and a payment gateway 140. These credit transactions are described in the context of credit card purchases with a gateway 140.

Claim 14 requires the digital IOU to include a purchase price. The digital IOU is redeemable. In one embodiment, use of a digital IOU allows the merchant to have a credit that can be later redeemed with the funds transfer system. For example, the vendor could be provided a digital IOU once the purchase is approved. Later, the vendor can present the digital IOU for payment from the funds transfer system after a delay that could result from, for example, a backorder on the goods ordered. Neither Kolling nor Rowney teaches or suggests a redeemable digital IOU that contains the purchase price. Further, neither of these references have this advantage. Apparent Official Notice is relied upon for the proposition that digital IOU could include a purchase price. See final Office Action, Section 2, third-to-last paragraph. Applicants reiterate their request for a showing of proof for this proposition if reliance is continued.

Claims 24, 29 and 35 generally require validating the payment information at the funds transfer system. Kolling teaches entry of payment information with the bank (see col. 24, lines 66+; and block 232 of Fig. 10) and Rowney fails to even teach a funds transfer system at all. In some embodiments of the claimed invention, verification is performed by a central funds transfer system. In contrast, Kolling teaches entry of this information at the banks. By verifying centrally, user information is kept in a central repository rather than relying upon chains of trust which fail with the weakest link.

Claims 24, 29 and 35 generally require transferring funds from a payor account to the funds transfer system to a payee account in two transactions. In this way, the funds transfer system is situated in the middle of the transaction. Kolling teaches transactions where cash is sent directly from one account to another with a clearing process in the middle. By having an intermediate account in the present invention, fees could be deducted easily by the funds transfer system and the bank account particulars can be shielded from the parties at either end of the transfer.

Claim 39 requires the funds transfer system to have a means for comparing the payment information and the purchase information against a database as

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part of a verification of the transaction. Kolling and Rowney do not teach checking purchase information against a database, which implies this information was previously stored. In col. 6, lines 64+, Kolling teaches a service bureau 52 that stores an enrollment package 57 to allow verification of biller or customer, but does not have the particular purchase information for any single transaction. In Kolling, bill pay orders are merely matched with billers (see col. 6, lines 55-57), without any comparing of payment information from the purchaser with purchase information from the vendor against a database. By storing the purchase information, for example, a digital IOU can be verified for a particular transaction that is later presented for redemption.

### Motivation to Combine Kolling et al. and Rowney et al.

The first prong of the test requires, a suggestion or motivation to combine references to avoid hindsight reconstruction of the claimed invention based upon the information disclosed in the present application. The last four paragraphs in section 2 of the Office Action appears to address the motivation to combine Kolling et al. and Rowney et al., but the Applicants cannot discern the nature of this argument. The following excerpt is apt in the present case:

"In the instant application, the examiner has done little more than cite references to show that one or more elements or subcombinations thereof, when each is viewed in a vacuum, is known. The claimed invention, however, is clearly directed to a combination of elements. That is to say, appellant does not claim that he has invented one or more new elements but has presented claims to a new combination of elements. To support the conclusion that the claimed combination is directed to obvious subject matter, either the references must expressly or impliedly suggest the claimed combination or the examiner must present a convincing line of reasoning as to why the artisan would have found the claimed invention to have been obvious in light of the teachings of the references." Ex parte Clapp, 227 USPQ 972, 973 (B.P.A.I. 1985)

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There appear to be problems with some of the cites to sections of the application as the Applicants cannot find the purported motivations to combine. More specifically, Col. 6, lines 50-67, is cited in Kolling et al. for the proposition that service bureaus may operate by IOUs, but the Applicants can discern no such teaching. Further, col. 1, lines 30-36, is apparently relied upon for the proposition that Rowney et al. teaches digital signatures, but Applicants can discern no such teaching. Even if there were such a teaching, it is unclear why one of ordinary skill in the art would be motivated to make the combination.

Apparent Official Notice is relied upon that a digital IOU could have a purchase price and that this could be combined with Kolling et al. Applicants disagree with this proposition. If further reliance is made on the proposition that a digital IOU could include a purchase price or that this teaching could be combined with Kolling et al., a showing of proof for these propositions is respectfully requested. See MPEP 2144.03.

Kolling et al. generally relates to bill payment and Rowney et al. generally relates to electronic payment. The Office Action generally indicates in the last paragraph of section 2 that both references teach the importance of assessing transaction risk as some sort of justification to combine various elements from these references in the very particular and convoluted manner described in the Office Action.

The only way this combination of Kolling et al. and Rowney et al. makes any sense is to use the Applicant's claims as a template, which is impermissible hindsight reconstruction.

### <u>*Reasonable Likelihood of Success in Combining Kolling et al. and Rowney et al.*</u>

The second prong of the test requires a reasonable likelihood of success. Combining the bill payment in the cited sections of Kolling et al. ("Kolling") with the electronic payment of the cited sections of Rowney et al. ("Rowney") is confusing to explain, at best, and requires major modifications to each reference. Such major modifications would have little likelihood of success. For example, claim 14 requires validating purchase information and sending a digital IOU to the vendor, where the

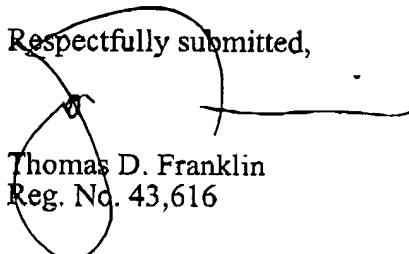Allen-Rouman et al.
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digital IOU includes a purchase price. Rowney is cited for validation of the purchase information because it is purported to teach "comparing digital signatures for security purposes." A digital IOU is purported to be taught in Kolling in col. 6, lines 50-67, but Applicants can find no such teaching. See final Office Action, section 2, fourth-to-last paragraph. Only apparent Official Notice is relied upon for the proposition that the digital IOU includes a purchase price. How would one of ordinary skill in the art hope to combine these references and Official Notice with any likelihood of success?

## CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance and an action to that end is urged. Reconsideration of the rejections is respectfully requested. If the Examiner believes a telephone conference would aid in the prosecution of this case in any way, please call the undersigned at 303-571-4000.

Respectfully submitted,

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## VERSION WITH MARKINGS TO SHOW CHANGES MADE IN THE CLAIMS:

14.    (Once Amended)  A method for facilitating an electronic purchase using a funds transfer system, the method comprising steps of:

receiving purchase information from a vendor, the purchase information including a purchase price;

receiving purchaser information from a purchaser, the purchaser information including an identification of a purchaser account;

validating the purchaser information, wherein:

if the purchaser information is validated, sending a digital IOU to the vendor, and

the digital IOU is comprised of the purchase price; and

redeeming the digital IOU.

15.    (Once Amended)  The method of claim 14 wherein the step of redeeming the digital IOU further comprises steps of:

receiving the digital IOU from the vendor;

confirming the digital IOU;

receiving funds from the purchaser account equal to the digital IOU into a funds transfer account; and

transferring the funds to the vendor from the funds transfer account.

16.    (As Filed)  The method of claim 14 wherein if the purchaser information is not validated, sending a message to the purchaser that the electronic purchase is denied.

17.    (As Filed)  The method of claim 14 wherein if the purchaser information is not validated, further comprising a step for adding the purchaser to a purchaser database.

18.     (As Filed) The method of claim 15 wherein the step for confirming the digital IOU comprises comparing a digital signature on the digital IOU to a signature log at a funds transfer system.

23.     Please cancel claim 23 without prejudice to or disclaimer of the subject matter contained therein.

24.     (Added by Preliminary Amendment) A method for transferring funds from a payor to a payee as part of a checkout process, the method comprising steps of:

   receiving payment information with a funds transfer system, the payment information including payee identification, payor identification and payment amount;

   validating the payment information at the funds transfer system;

   notifying the payor that the payment information is not valid if the validating step is unsuccessful; and

   transferring funds from a payor account to a payee account through the funds transfer system if the payment information is validated.

25.     (Added by Preliminary Amendment) The method for transferring funds from the payor to the payee as part of the checkout process as recited in claim 24, the method further comprising a step of notifying the payee of the funds transfer.

26.     (Added by Preliminary Amendment) The method for transferring funds from the payor to the payee as part of the checkout process as recited in claim 24, wherein the step for validating the payment information comprises a step of checking the payor identification and the payee identification against a user database at the funds transfer system.

27.     (Added by Preliminary Amendment) The method for transferring funds from the payor to the payee as part of the checkout process as recited in claim 26, wherein the user database includes account information for the payor and the payee.

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28.    Please cancel claim 28 without prejudice to or disclaimer of the subject matter contained therein.

29.    (Added by Preliminary Amendment)  An electronic transaction method for transferring funds from a user account to a vendor account to compensate the vendor for a purchase selected by a user while accessing a vendor system online and after the user selects from the vendor system a payment option associated with a funds transfer system, the method comprising steps of:

establishing a connection from the funds transfer system to the user during checkout of the user with the vendor system, wherein the funds transfer system is separate from the vendor system;

receiving purchase data from the vendor system with the funds transfer system;

requesting validation from the user for the purchase;

receiving with the funds transfer system validation information from the user;

checking the validation information at the funds transfer system against a database; and

transferring funds from the user account to the funds transfer system if the step of checking the validation information is successful; and

transferring funds from the funds transfer system to the vendor account.

30.    (Added by Preliminary Amendment)  The electronic transaction method for transferring funds from the user account to the vendor account to compensate the vendor for the purchase selected by the user while accessing the vendor system online and after the user selects from the vendor system the payment option associated with the funds transfer system as recited in claim 29, further comprising a step of returning a message to the user denying the purchase if the step of checking the validation information is unsuccessful.

31.    (Added by Preliminary Amendment) The electronic transaction method for transferring funds from the user account to the vendor account to compensate the vendor for the purchase selected by the user while accessing the vendor system online and after the user selects from the vendor system the payment option associated with the funds transfer system as recited in claim 29, further comprising a step of modifying account information in the database associated with the user if the step of checking the validation information is unsuccessful.

32.    (Added by Preliminary Amendment) The electronic transaction method for transferring funds from the user account to the vendor account to compensate the vendor for the purchase selected by the user while accessing the vendor system online and after the user selects from the vendor system the payment option associated with the funds transfer system as recited in claim 29, wherein at least one of the user account and the vendor account is a bank account.

33.    (Added by Preliminary Amendment) The electronic transaction method for transferring funds from the user account to the vendor account to compensate the vendor for the purchase selected by the user while accessing the vendor system online and after the user selects from the vendor system the payment option associated with the funds transfer system as recited in claim 29, wherein the user account is a credit card account.

34.    Please cancel claim 34 without prejudice to or disclaimer of the subject matter contained therein.

35.    (Added by Preliminary Amendment) A method for authorizing an electronic purchase during checkout with a user and a vendor system, the method comprising the steps of:

receiving purchase information from the vendor system, wherein the purchase information comprises a purchase price;

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requesting payment information from the user;

receiving payment information from the user with funds transfer system;

validating the payment information with the funds transfer system;

crediting a vendor account in a first amount that corresponds to the
purchase price if the step of validating payment information is successful; and

debiting a user account a second amount that corresponds to the purchase
price if the step of validating payment information is successful.

36.     (Added by Preliminary Amendment) The method for authorizing
the electronic purchase during checkout with the user and the vendor system as recited in
claim 35, wherein the vendor account and/or the user account are bank accounts.

37.     (Added by Preliminary Amendment) The method for authorizing
the electronic purchase during checkout with the user and the vendor system as recited in
claim 35, wherein the vendor account and/or the user account are credit card account.

38.     (Once Amended) A computer-readable medium having computer-
executable instructions for performing the computer-implementable method for
authorizing the electronic purchase during checkout with the user and the vendor system,
the computer-readable medium comprising code for:

receiving purchase information from the vendor system, wherein the
purchase information comprises a purchase price;

requesting payment information from the user;

receiving payment information from the user with funds transfer system;

validating the payment information with the funds transfer system;

crediting a vendor account in a first amount that corresponds to the
purchase price if the step of validating payment information is successful; and

debiting a user account a second amount that corresponds to the purchase
price if the step of validating payment information is successful.

39.    (Added by Preliminary Amendment)  A funds transfer system for paying a vendor in a transaction with a purchaser, wherein the vendor uses a vendor system and the purchaser uses a purchaser system during the transaction, the funds transfer system comprising:

a first connection with a vendor system;

a second connection with a purchaser system;

means for validating the transaction, wherein the purchase validation means comprises:

a machine readable medium having a database comprising purchaser information and vendor information;

means for receiving purchase information from the vendor system;

means for receiving payment information from the purchaser system; and

means for comparing the payment information and the purchase information against the database; and

means for paying the vendor for the purchase.

40.    (Added by Preliminary Amendment)  The funds transfer system for paying the vendor in the transaction with the purchaser as recited in claim 39, wherein:

the means for paying the vendor comprises a connection to an automated clearing house, and

the automated clearing house transfers funds from a purchaser account to a funds transfer account and from a funds transfer account to a vendor account.

41.    (Added by Preliminary Amendment)  The funds transfer system for paying the vendor in the transaction with the purchaser as recited in claim 39, wherein the purchase information is selected from the group consisting of vendor identification, name of goods and purchase price.

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     42.    (Added by Preliminary Amendment) The funds transfer system for paying the vendor in the transaction with the purchaser as recited in claim 39, wherein the payment information is selected from the group consisting of financial information of the purchaser, purchaser identification, a password, a name, and an address.

     43.    (Added by Preliminary Amendment) The funds transfer system for paying the vendor in the transaction with the purchaser as recited in claim 39, wherein the means for receiving purchase information and the means for receiving payment information are a file transfer protocol connection over a network.

     44.    (Added by Amendment) The method for transferring funds from the payor to the payee as part of the checkout process as recited in claim 24, wherein the transferring step comprises steps of:

          transferring funds from the payor account to a funds transfer system account; and

          transferring funds from the funds transfer system account to a payee account.

     45.    (Added by Amendment) The method for transferring funds from the payor to the payee as part of the checkout process as recited in claim 24, wherein the funds are in at least one of the following forms: a gift certificate, a store credit, airline mileage credit, promotional points, foreign funds, and another currency.

     46.    (Added by Amendment) The electronic transaction method for transferring funds from the user account to the vendor account to compensate the vendor for the purchase selected by the user while accessing the vendor system online and after the user selects from the vendor system the payment option associated with the funds transfer system as recited in claim 29, wherein the requesting step comprises steps of:

          causing a pop-up window to be opened on a user machine; and

          presenting the validation request in the pop-up window.

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